

APPENDIX III

MENU OF EXPORT MANAGEMENT SYSTEM ELEMENTS WITH OBJECTIVES

ADMINISTRATIVE ELEMENTS

The administrative elements are designed to help exporters establish a foundation upon which the Export Management System (EMS) is built. All of the following elements are optional with the exception of Administrative Element # 3 - Recordkeeping.

(1) Management Policy:

A clear statement of management policy communicated to all levels of the firm involved in export/reexport sales, traffic and related functions, emphasizing the importance of compliance with the Export Administration Regulations (EAR).

Objective: To convey a clear commitment of compliance with the EAR from senior management to all employees involved with U.S. export controls. An important component of this commitment consist in providing sufficient time, money, and personnel to make the compliance program effective.

(2) Responsible Officials:

Identification of positions and specific individuals responsible for compliance with the EAR.

Objective: To ensure that all compliance related functions, duties, and responsibilities in the firm are clearly identified and assigned, and that the positions and incumbents are known.

(3) Recordkeeping:

A program for recordkeeping as required by the EAR.

Objective: To ensure documents are maintained in an accurate and consistent manner and are available for inspection as required by the EAR.

(4) Training:

A continuing program for educating people who require knowledge of the EAR.

Objective: To ensure training and education are provided, on a regular basis, to all employees involved in export-related activities.

(5) Internal Reviews:

An internal review program to verify compliance with the firm's EMS and the EAR.

Objective: To ensure compliance at all the firm's export-related locations with the EMS and EAR.

(6) Notification:

A system for consulting the Bureau of Export Administration (BXA) when questions arise regarding the propriety of specific export transactions.

Objective: To ensure that all exports and reexports are conducted in accordance with the EAR.

ORDER PROCESSING SYSTEM ELEMENT

An optional order processing element is recommended to help clarify when and where exports are appropriately screened.

Order Processing System:

An order processing system that documents employee clearance of transactions in accordance with the requirements of the firm's EMS.

Objective: To set forth in written procedures the order processing system used to screen and document the checks required by the firm's EMS.

SCREENING ELEMENTS

The optional screening elements are designed to provide a mechanism to help exporters evaluate export transactions.

(1) Denied Persons Screen:

A system for screening all customers against the most current list of denied persons.

Objective: To ensure that transactions involving U.S. origin items covered by the EAR do not involve persons or entities whose export privileges have been denied by the U.S. Department of Commerce .

(2) Product Classification/License Determination Screen:

A system for classifying products by Export Control Classification Number (ECCN) to determine what export authorization may potentially be used for the intended destination.

Objective: To ensure that the export license or license exception to be used authorizes the transfer of the items to the intended country.

(3) Diversion-Risk Screen:

A system for assessing proposed transactions against a diversion risk profile (DPL) that takes into account the factors outlined in Screening Element 3 of the EMS.

Objective: To establish procedures to adequately screen orders for "red flag" indicators using the diversion-risk profile (DRP).

(4) Nuclear Screen:

A system for assuring compliance with the restrictions on prohibited nuclear end-uses/end-users.

Objective: To ensure that transactions do not involve prohibited nuclear end-uses/end-users without authorization from the U.S. Government.

(5) Missile Screen:

A system for assuring compliance with the restrictions on prohibited missile end-uses/end-users.

Objective: To ensure that transactions do not involve prohibited missile end-uses/end-users without authorization from the U.S. Government.

(6) Chemical and Biological Weapons Screen:

A system for assuring compliance with the restrictions on prohibited chemical and biological weapons end-uses/end-users.

Objective: To ensure that transactions do not involve prohibited chemical or biological weapons end-uses/end-users without authorization from the U.S. Government